

MINUTES – MARCH 29, 2004

The Caswell County Board of Commissioners met in special session at the Historic Courthouse in Yanceyville, North Carolina at 6:30 p.m. on Monday, March 29, 2004. The purpose of the meeting was to hold a workshop to discuss budget directives for fiscal year 2004-2005. Members present: Mel O. Battle, Chairman, Larry G. Hamlett, Vice-Chairman, Nathaniel Hall, Jack W. Hooper, Cathy W. Lucas, and George W. Ward, Jr. Absent: Kenneth D. Travis. Also present: Jeffrey H. Earp, County Manager and Gwen Y. Vaughn, Finance Officer. Wanda P. Smith, Clerk to the Board, recorded the minutes.

MOMENT OF SILENT PRAYER

Chairman Battle opened the meeting with a Moment of Silent Prayer.

BUDGET DIRECTIVES

Chairman Battle announced that the purpose of the meeting is to issue directives to the County Manager in his preparation of the proposed 2004-2005 budget.

Mr. Jeff Earp, County Manager, stated that he anticipates growth in the County's sales tax returns of approximately 2.5%, which equates to an increase of approximately \$100,000 to \$120,000 in revenues. Mr. Earp added that he is also anticipating approximately \$300,000 to \$350,000 in additional revenues from the Tax Office due to the increase in the tax collections rate last year and the addition of new construction.

Mr. Earp reported that each penny of the current tax rate brings in approximately \$103,000. Mr. Earp stated that with this being a revaluation year, the Board must decide whether it will adjust the tax rate to a revenue neutral position or a revenue positive position. Mr. Earp added that with this year's revaluation, the County's tax base increased approximately 13%, which equates to approximately \$884,400 if the tax rate remains the same. Mr. Earp noted that for every penny dropped on the tax rate with the new revaluation, the County will lose \$114,000.

Mr. Earp stated that the state and national forecast for growth, according to all available sources, is going to be at approximately 3% to 3.5%.

Mr. Earp submitted the following list of major equipment purchases that need to be considered for the 2004-2005 budget:

- Emergency Medical Services – 1 ambulance (approx. \$125,000)

Chairman Battle stated that he would like for the County Manager to pursue options in the lease or purchase of this ambulance and look at payment options, with it not being a cash purchase.

- Social Services – equipment from CAP for facility inspection

Chairman Battle stated that he felt with the possibility of surplus Medicaid funds, these funds should be used to meet Social Services' needs. Chairman Battle added that he felt a lot of the items listed on the facility inspection could be taken care of in this year's budget. Chairman Battle stated that he felt the Department of Social Services, with the revenues it receives, should be able to pay for what is needed.

- Solid Waste – 1 loader (approx. \$17,000 - \$25,000)

Mr. Earp noted that this appropriation would come from the Solid Waste Enterprise Fund and it does have a Fund Balance.

- New gas pump – (approx. \$1,200 - \$2,000)

Mr. Earp reported that he has contacted four vendors regarding the purchase of a new gas pump and providing gas for County vehicles. Chairman Battle requested that the County Manager pursue options and report back to the Board.

Mr. Earp submitted and discussed the following list of concerns for the 2004-2005 budget:

- Scism property payment - \$64,000
- Medicaid expenditure – approximately \$125,000 that was received from Federal Government to supplement the last year's expenditure will not be appropriated to the County this year.
- Expansion of staffing needs – Tax Office position, Finance Office position, and Inspections Office position.
- Lack of office space for Animal Control and ITS
- Gasoline prices

Mr. Earp submitted a list of Building Maintenance/Repair Concerns. Mr. Earp stated that it would cost approximately \$200,000 to bring the County's buildings to the order that they should be.

Commissioner Hall stated that the County's buildings are in very bad condition and the County may need to look at a major bond to get the County's physical plan in order and do some planning for space.

Commissioner Hall stated that the Board of Commissioners met with the Board of Education and he thought it would be good to meet with all Boards because he did not feel that all Boards have a good understanding of what they are accountable for and what

they are supposed to do. Commissioner Hall added, for instance, that the Health Department has a responsibility for the general overall health of the citizens of Caswell County and there are certain things that they are supposed to do if other departments are not doing it.

The Board held a brief recess.

Mr. Earp presented the following list of top maintenance concerns:

- Highway 29 Water/Sewer station needs a pump replaced at a cost of \$2,825.00.
- Gasoline pump and storage needs to be replaced or discuss other options - \$1,200.

Mr. Earp reported that effective January 1, 2004, the Internal Revenue Service has increased its business standard mileage rate from 36 cents per mile to 37.5 cents per mile and this rate is upon what he bases the County's mileage reimbursement rate.

Mr. Earp reported that the quote from Blue Cross/Blue Shield for the County's health insurance premiums will increase 7.9%, which amounts to approximately \$90,000. Mr. Earp noted that he has two more health plans to be presented to him. Mr. Earp added that the County will be saving approximately \$3,000 in workmen's compensation and approximately \$40,000 in liability and property insurance. Mr. Earp stated that the County dental insurance will increase five percent.

Mr. Earp asked that the Board consider whether it would be giving County employees a cost-of-living increase. Mr. Earp stated that to give County employees a one percent increase would cost \$58,000, a two percent increase would cost \$116,000, and a three percent increase would cost \$174,000.

Commissioner Hall stated that one thing the Board needed to decide is if there is going to be a tax increase and how the Board is going to deal with the revaluation issue. Commissioner Hall added that he felt discussion should start from a revenue neutral standpoint and proceed from there. Chairman Battle stated that he concurs with Commissioner Hall.

Chairman Battle stated that the Board of Commissioners would like to see the budget that the County Manager proposes and then the Board review and revise that budget as needed. Chairman Battle directed the County Manager to prepare a budget and include what he feels the County needs.

Commissioner Lucas asked what the tax rate would be if the County Manager presented a revenue neutral budget. Mr. Earp answered that tax rate would be approximately 58 cents if he presented a revenue neutral budget.

Mr. Earp stated that it is his goal to present the Proposed 2004-2005 Budget to the Board at its May 17th meeting.

Commissioner Lucas requested that the County Manager prioritize the Building Maintenance/Repair Concerns and list the top five most pressing needs on the list to be brought back to the Board for their consideration. Mr. Earp noted that the list is not an all inclusive list of building maintenance needs and does not include any of the Schools' needs. Commissioner Lucas asked if the County has a Capital Improvement Plan. Mr. Earp answered that there is not a Capital Improvement Plan.

THE ADJOURNMENT

At 8:20 p.m. Commissioner Hamlett moved, seconded by Commissioner Hooper to adjourn. The motion carried unanimously.

Wanda P. Smith
Clerk to the Board

M. O. Battle
Chairman
